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Alcohol Legislation and Taxes in Turkey

Report Categories:

Wine

Beverages

Agricultural Situation

Policy and Program Announcements

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Report Highlights:

In June 2013, the Government of Turkey (GOT) enacted sweeping legislation to amend its existing alcohol laws. In addition to the June 2013 legislation, the GOT passed new labeling requirements for alcoholic products and increased the tax rates for alcohol and tobacco.

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Alcohol Consumption

Turkey ranks last among European countries and last among Organization for Economic Co-operation and Development (OECD) member countries in terms of per capita alcohol consumption rates, estimated at around 1.5-1.6 liters per person per year. Turkey also ranks low on the world list of per capita alcohol consumption, well behind the world average. According to a report by the Turkish Ministry of Health, 87 percent of Turks over the age of 15 said they had never tasted alcohol. Many restaurants in Turkey do not serve alcohol, especially those in rural areas, in the eastern part of the country, or in conservative neighborhoods. The process to get an alcohol license in Turkey is difficult, and there are strict rules on which restaurants and in what areas licenses can be obtained. See Article IV of the translation at the end of this report for more information on the process to obtain an alcohol and tobacco license.

Household consumption expenditure data from the Turkish Statistical Institute shows that the percentage of income spent on alcohol, cigarettes, and tobacco has held steady between the years 2002 and 2014, coming in at around 4.1 percent each year. However, post speculates that the majority of this amount is probably spent on cigarettes and tobacco rather than alcohol.

Alcohol consumption had steadily increased each year from 2009 until 2012, until dropping around 10 percent in 2013, probably as a result of the new legislation. Consumption increased in 2014 but not quite to the levels seen in 2012. Some producers are skeptical of government statistics showing that consumption has fallen dramatically, but believe that the laws could cut down on long-term consumption. Table 1-1 shows the total consumption of alcohol in Turkey broken down by product from 2009-2014; Table 1-2 shows the market share of alcohol in Turkey broken down by product from 2009-2014. Source: Tobacco and Alcohol Market Regulatory Authority (TAPDK).

Table 1-1 – Consumption Rates by Type of Alcohol

| Type of Alcohol | Total Consumption (1,000 liters) | | | | | |
|-----------------|----------------------------------|-----------|-----------|-----------|-----------|-----------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Beer | 923,508 | 921,500 | 925,564 | 998,823 | 878,913 | 943,199 |
| Wine | 46,143 | 59,456 | 58,643 | 56,411 | 62,240 | 62,858 |
| Rakı | 44,698 | 46,381 | 48,810 | 44,611 | 42,337 | 40,267 |
| Whiskey | 2,544 | 2,468 | 4,454 | 4,505 | 4,903 | 6,097 |
| Vodka | 10,366 | 11,781 | 15,296 | 15,115 | 14,909 | 16,001 |
| Sparkling Wine | 236 | 253 | 433 | 827 | 642 | 628 |
| Vermouth | 278 | 307 | 332 | 286 | 283 | 191 |
| Gin | 1,261 | 1,498 | 1,810 | 1,647 | 1,746 | 2,051 |
| Other | 3,226 | 4,074 | 4,735 | 5,059 | 5,745 | 6,478 |
| Total | 1,032,260 | 1,047,718 | 1,060,077 | 1,127,284 | 1,011,718 | 1,077,770 |

Table 1-2 – Market Share by Type of Alcohol

| Type of Alcohol | Market Share (%) | | | | | |
|-----------------|------------------|-------|-------|-------|-------|-------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Beer | 89.46 | 87.95 | 87.31 | 88.60 | 86.87 | 87.51 |
| Wine | 4.47 | 5.67 | 5.53 | 5.00 | 6.15 | 5.83 |
| Rakı | 4.33 | 4.43 | 4.60 | 3.96 | 4.18 | 3.74 |
| Whiskey | 0.25 | 0.24 | 0.42 | 0.40 | 0.48 | 0.57 |
| Vodka | 1.00 | 1.12 | 1.44 | 1.34 | 1.47 | 1.48 |
| Sparkling Wine | 0.02 | 0.02 | 0.04 | 0.07 | 0.06 | 0.06 |
| Vermouth | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.02 |
| Gin | 0.12 | 0.14 | 0.17 | 0.15 | 0.17 | 0.19 |
| Other | 0.31 | 0.39 | 0.45 | 0.45 | 0.57 | 0.60 |

As shown in Tables 1-1 and 1-2, beer makes up by far the largest share of the alcohol market in Turkey, with wine, rakı, whiskey, and vodka as the next largest products. The year 2013 saw a large drop in consumption of alcohol, most notably for beer.

The following tables show the Turkish imports of alcohol by product type for beer and fermented alcohols (Table 1-3) and distilled spirits (Table 1-4). Source: Tobacco and Alcohol Market Regulatory Authority (TAPDK).

Table 1-3 – Imports of Beer and Fermented Alcohols

| Type of Alcohol | Imports (1,000 Liters) | | | | | |
|--------------------------|------------------------|-------|-------|-------|-------|-------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Beer (2203) | 392 | 1,380 | 4,325 | 3,184 | 2,862 | 4,768 |
| Wine (2204.21-29) | 980 | 1,503 | 1,514 | 1,814 | 1,830 | 2,441 |
| Sparkling Wine (2204.10) | 40 | 81 | 114 | 212 | 231 | 257 |
| Vermouth (2205) | 274 | 298 | 332 | 286 | 283 | 191 |
| Other (2206.00) | 0 | 26 | 244 | 333 | 472 | 588 |
| Total | 1,686 | 3,288 | 6,529 | 5,829 | 5,678 | 8,245 |

Table 1-4 – Imports of Distilled Spirits

| Type of Alcohol | Imports (1,000 liters) | | | | | |
|--------------------------|------------------------|-------|-------|-------|-------|-------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Whiskey (2208.30) | 2,544 | 2,466 | 4,454 | 4,505 | 4,903 | 6,097 |
| Rum (2208.40) | 313 | 458 | 483 | 548 | 593 | 714 |
| Vodka (2208.60) | 1,456 | 2,106 | 2,703 | 3,005 | 3,505 | 3,515 |
| Rakı (2208.90.48-71) | 0 | 0 | 0 | 0 | 0 | 0 |
| Cognac, Brandy (2208.20) | 175 | 330 | 385 | 319 | 348 | 331 |
| Gin (2208.50) | 203 | 364 | 489 | 365 | 424 | 522 |

| | | | | | | |
|-------------------|-------|-------|--------|--------|--------|--------|
| Liqueur (2208.70) | 574 | 706 | 1,229 | 1,062 | 1,057 | 1,206 |
| Other (2208.90) | 269 | 398 | 552 | 628 | 694 | 738 |
| Total | 5,534 | 6,828 | 10,295 | 10,432 | 11,524 | 13,123 |

Beer, wine, whiskey and vodka make up the largest share of imported alcoholic products into Turkey. Overall, imports have increased from 2009 to 2014, especially between from 2010 to 2011 and from 2013 to 2014. Whiskey imports have soared as a result of European Union (EU) harmonization and changing perceptions among Turks. As part of EU negotiations, Turkey agreed to make the taxes for local products, namely *rakı*, equal to the taxes for products from around the EU. As the taxes went up on *rakı*, the price difference between *rakı* and whiskey went down, leading to an increase in sales for whiskey. Whiskey is also seen by many Turks as a sign of social status, a perception that has grown in recent years and also helps to boost sales.

Alcohol Legislation

The alcohol legislation passed in 1942 and amended in 2013, along with several tax increases, has effectively made it more difficult and expensive to buy or sell alcohol in Turkey. Alcohol legislation had been tightened gradually since the Justice and Development Party (AKP) came to power in the early 2000s, but the culmination and strictest rules came about in 2013.

Proponents of the new regulations say that the law does not prohibit anyone over the age of 18 from drinking alcohol; it simply regulates the sale and use, and helps to prevent underage and excessive drinking.

Below are summaries of the new laws passed in 2013 as well as the various tax hikes:

June 2013, Law No. 6487, amending Law No. 4250 – Please refer to the end of this report for a full translation of the alcohol-related articles of Law No. 6487.

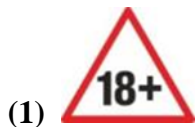
- Advertisements, consumer-oriented promotions, campaigns, or events that promote the sale of alcohol are forbidden. Producers, importers and distributors of alcoholic beverages are prohibited from using their logos, trademarks or brands to sponsor events or other activities. The only exception to this rule is for international trade fairs or scientific publications.
- Scenes that encourage the use of alcohol in TV series, music videos, films, and commercials are forbidden.
- Persons who import, produce, and sell alcoholic drinks are not allowed to give alcohol as a gift, incentive or giveaway.
- Persons under the age of 18 are not allowed to buy or be served alcoholic drinks and may not be employed in this sector.
- The sale of alcohol through automatic vending machines and mail order is prohibited.
- Alcohol may not be sold in retail stores or shops between the hours of 10:00pm (22:00) and 6:00am (06:00). Restaurants and bars with valid licenses may serve during these hours.
- The sale of alcohol within 100 meters of schools and mosques is prohibited. Alcoholic beverages cannot be sold or consumed in most facilities on motorways and public highways, in addition to

student dormitories, stadiums, indoor sport halls, educational institutions, gas stations, and health facilities.

- Alcohol may be served and consumed within the borders of a facility with a valid license. Alcohol may not be served or sold outside the borders of the facility. Consumption should not be visible from the outside of the facility, and is forbidden in public areas.
- Except for products intended for export, all packaging should include warning labels (see below).
- The law imposes fines for violations. The amount depends on which rules are broken, and this is specified in the text of the law.
- The alcohol limit for drivers of private vehicles is 0.05 percent, reduced from 0.1 percent. Violation of the legal limit is punishable by fines and a six-month driving ban.

Communique Regarding the Warning Messages on the Packaging of Alcoholic Beverages:

- The following labels are required for alcoholic beverages. Label and font sizes are specified in the text of the law. Fines are imposed for failure to comply with the labeling requirements:



(4) Alcohol is not your friend. (In Turkish)

Tax Increases:

As part of the effort to curb alcohol consumption rates and cut down on underage drinking, the GOT has introduced several tax increases on alcohol and tobacco. Special consumption taxes (SCT) have been increased or adjusted regularly, around every six months, leading to an increase in cost for most alcoholic drinks. Products that are subject to SCTs are categorized in four lists – I, II, III, and IV. List

III is further broken down into Schedule A and B. Schedule A includes beer, wines, distilled spirits and carbonated beverages; Schedule B covers tobacco products. Below are some of the tax rates for different types of alcohol. Products may also be subject to Value Added Tax (VAT).

| Product | Import Tax | Special Consumption Tax |
|------------|--|---------------------------------|
| Beer | 63% | 0.89 TL per liter |
| Wine | 50% from EU, 70% from US and other countries | 4.84 TL per liter |
| Vodka, Gin | 0% | 116.55 per liter of alcohol* |
| Whiskey | 0% | 131.05 TL per liter of alcohol* |

Please note that \$US 1= 2.90 Turkish Lira (as of August 19, 2015).

* - The SCT for some products is based on the amount of alcohol in the product, rather than the total amount of the product. For example, a 0.5 liter bottle of vodka containing 40% alcohol contains 0.2 liters of alcohol (40% of 0.5 liters). This product would be subject to a SCT of 23.21 TL (0.2 liters of alcohol X SCT of 116.55 TL).

As a result of the increasing taxes on alcoholic beverages, government tax revenue from SCTs has steadily increased. Alcoholic beverages are the fourth largest source of SCT revenue for the GOT, behind Petroleum & Natural Gas, Tobacco, and Motor Vehicles. Below is the tax revenue data for 2012-2014 and the first quarter of 2015. This includes revenue from both alcoholic beverages and carbonated beverages, but the taxes on non-alcoholic beverages are not as high as those on alcohol. Post speculates that the majority of this tax revenue comes from SCTs on alcoholic beverages. Tax revenue has increased each year, and based on the first quarter data from 2015, is expected to increase this year as well. Revenue from taxes on List III-A items consistently makes up around 1.5% of total tax revenue and 0.9% of total budget revenue.

Table 1-5 – GOT Tax Revenue from Alcoholic & Carbonated Beverages (List III-A)

Amounts Shown in Thousands of Turkish Lira

| | January-March | April-June | July-September | October-December | Total |
|------|---------------|------------|----------------|------------------|-----------|
| 2012 | 948,300 | 1,230,524 | 1,118,918 | 1,345,122 | 4,642,864 |
| 2013 | 1,155,336 | 1,372,668 | 1,350,641 | 1,317,193 | 5,195,838 |
| 2014 | 1,128,436 | 1,554,115 | 1,516,913 | 1,689,169 | 5,888,633 |
| 2015 | 1,438,533 | | | | |

Reactions and Effects

Several countries have brought up their complaints in WTO meetings. On August 6, 2013, Turkey officially notified the alcohol law to the World Trade Organization (WTO) Technical Barriers to Trade (TBT) Secretariat as G/TBT/N/TUR/41 and G/TBT/N/TUR/42, both with a comment deadline of August 9, 2013, and an adoption and entry into force date of August 11, 2013. On August 29, 2013, Turkey officially extended the comment deadline for both of the alcohol law notifications until October 6, 2013 (allowing for the WTO's recommended 60 day comment period). The United States, in addition to other countries, submitted comments on the new legislation and later brought up the complaints in a TBT meeting in October 2013. However, the adoption and entry into force dates of the law were not

extended and thus WTO Members' comments were not taken into consideration prior to implementation of the law.

Many of the complaints center on labeling requirement 4, which requires alcoholic beverages to be labeled with the words "alcohol is not your friend" in Turkish. The message that is intended by this statement is that alcohol can be harmful. However, the way the current label is phrased is not scientifically proven. Several countries have urged the GOT to change the phrasing to something more science-based and factual.

For the most part, the new legislation has disproportionately affected smaller companies and newer businesses. Larger companies and those with more established reputations are better able to sell their products and stay in business. Small or new companies have a more difficult time marketing their products, and often cannot afford to pay the large fines for violations of the law. With limited opportunities for marketing, consumers tend to buy the products with longstanding reputations or those with which they are familiar.

The primary enforcement mechanism of the legislation is fines. These are specified in the text of the law, and vary based on the severity of the transgression. Enforcement is not strict for all parts of the law and depends on the location of the store or event. For example, the prohibition of advertising and scenes in the media is very strictly enforced. While watching television in Turkey, viewers see a blurry circle covering up alcohol or cigarettes. However, some producers speculate that this may draw even more attention to the activity, possibly having the adverse effect of encouraging consumption. Producers say that it is difficult for the government to enforce all of the rules in the alcohol law, leading to discrepancies in enforcement.

As part of the law, alcohol should be sold in the back of the store or served in the back of a restaurant or bar, out of the public view. In reality, this rule is not often followed. Since this is such a widespread practice, especially in major cities and tourist areas where outdoor seating is popular, enforcement is not strict.

One of the most criticized parts of the law forbids the sale of alcohol in shops and retail stores between the hours of 10pm and 6am. Restaurants and bars are excluded from this rule. Many people, in particular small business owners who operate convenience store-like shops, claim that this is when they do a majority of their sales, and that this restriction has hurt their business. Larger retail stores are usually closed during these hours, so it has not affected their sales as much. Others have criticized the law for not going far enough, claiming that it simply leads to people stocking up on alcohol during the day.

The increasing severity of alcohol legislation in Turkey, as well as the difficulties in conducting inspections, has raised concerns of smuggling and illicit products. There has been an increase in these types of activities over the last decade, often aimed at circumventing the taxes on alcohol consumption and production. Turkey has become a hub for illegal smuggling of alcohol and tobacco products into Europe primarily from the Middle East. The GOT does not have enough personnel to conduct all of the inspections, and as a result, inspections are infrequent and random. It can be especially dangerous for consumers to drink bootleg alcohol. For example, five Russian tourists died and around 20 people had alcohol poisoning as a result of being served whiskey mixed with methanol on an overnight cruise along

the Turkish coast in 2011. Methanol is a nondrinking type of alcohol that is primarily used in automotive and industrial facilities. An investigation from the Turkish police and Russian authorities concluded that the methanol and whiskey mix was imported from Northern Cyprus by a company in Ankara, and distributed to various provinces. Counterfeit products are often cheaper than the real brands, making it more attractive to consumers looking to save money or even tourist companies attempting to cut down on costs.

In many cases, the amount of tax levied on a product is greater than the wholesale cost of the product. Largely as a result of tax increases and the decreasing purchasing power of the Turkish Lira, many consumers have moved to lower-end brands of alcohol. Lower and middle income consumers, due to the high costs of some brands, are more likely to choose inexpensive brands. This has had a negative effect on the profits of some companies, and has led to further decreases in new product development.

Many companies or stores have used the legislation as a means to get ahead in their business. For example, if there are two shops next to or across the street from each other, one owner may report violations of the alcohol laws to the authorities. The authorities might enforce this claim, and temporarily shut down or hurt the business of that shop. However, this is not an uncommon practice in Turkey, and is often part of the business culture across all sectors, not just alcohol.

New Markets

Due to the increased regulation and higher taxes within Turkey, many companies have attempted to create new markets outside of Turkey. In fact, the GOT encourages producers to export their products outside of Turkey's borders, in an effort to reduce sales within Turkey. Companies can apply for loans or grants to subsidize their export costs. *Turquality*, a combination of the words "Turkey" and "Quality," is a product accreditation and certification program run by the Ministry of Economy designed to increase awareness of Turkish products on an international level.

Turquality first evaluates the companies that apply and makes a determination on whether they should be accredited by *Turquality*. The companies then work with consulting firms and *Turquality* officials to develop a strategic business plan, followed by preparations and execution of the plans. The companies regularly conduct performance evaluations to see how the companies have benefitted and if anything should be changed. Two major Turkish alcohol brands are members of *Turquality*. Members receive financial assistance to subsidize the cost of showrooms, trademarks, advertising, new stores, property rentals, consulting, franchising, and security. Overall, 165 brands from 153 different Turkish companies in a variety of sectors have benefitted from *Turquality*'s programs. The average price for exported goods from Turkey rose from \$1.16 per kilo in 2009 to \$1.58 per kilo in 2012. In comparison, brands under *Turquality* reached \$3.28 per kilo in 2012.

Some common ways that companies use to market their products outside of Turkey are sponsoring international fairs, concerts, festivals, sporting events, and exhibitions, or opening a shop in a major city. Yeni *Rakı*, the top brand by popularity of *rakı* in Turkey, has launched a campaign in Europe called "Unrush Your World," a reference to the tradition of drinking *rakı* slowly throughout a meal and taking the time to enjoy the food and drink. Companies are allowed to sponsor festivals and events outside of Turkey, but the media coverage of these events in Turkey is very limited, and often it is simply not publicized. Some companies run promotional events in areas frequented by Turkish tourists, such as the

Greek Islands, or countries with large Turkish immigrant populations, such as Germany and Austria. These companies hope that the Turkish tourists or immigrants will drink their products, especially traditional *rakı*, continue to buy it wherever they are living, and possibly spread the word to other consumers.

Then Prime Minister, now President, Erdogan announced in 2011 the 2023 vision, a list of goals for Turkey to achieve by the year 2023, the 100th year anniversary of the foundation of the Republic. One of these ambitious goals was to increase Turkish exports to \$500 billion. As part of this program, export subsidies for many of these products have increased.

The following tables show the export amounts for alcoholic beverages from Turkey: Table 1-6 shows the amounts for beer and other fermented alcohols. Table 1-7 shows the amounts for distilled spirits. Source: Tobacco and Alcohol Market Regulatory Authority (TAPDK)

Table 1-6 – Exports of Beer and Fermented Alcohols

| Type of Alcohol | Exports (1,000 Liters) | | | | | |
|--------------------------|------------------------|---------|--------|---------|---------|--------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Beer (2203) | 98,813 | 107,733 | 95,128 | 105,679 | 104,833 | 86,826 |
| Wine (2204.21-29) | 2,415 | 2,191 | 2,468 | 2,593 | 2,774 | 2,630 |
| Sparkling Wine (2204.10) | 5 | 3 | 4 | 10 | 18 | 15 |
| Vermouth (2205) | 0 | 0 | 0 | 0 | 0 | 0 |
| Other (2206.00) | 46 | 9 | 45 | 30 | 50 | 10 |
| Total | 101,279 | 109,936 | 97,645 | 108,312 | 107,675 | 89,481 |

Table 1-7 – Exports of Distilled Spirits

| Type of Alcohol | Exports (1,000 liters) | | | | | |
|-----------------------------|------------------------|-------|-------|-------|-------|-------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Whiskey (2208.30) | 0 | 0 | 0 | 0 | 0 | 0 |
| Rum (2208.40) | 0 | 0 | 0 | 0 | 0 | 0 |
| Vodka (2208.60) | 117 | 29 | 56 | 16 | 13 | 23 |
| <i>Rakı</i> (2208.90.48-71) | 2,456 | 2,382 | 2,565 | 2,926 | 3,255 | 3,108 |
| Cognac, Brandy (2208.20) | 0 | 0 | 0 | 0 | 0 | 0 |
| Gin (2208.50) | 0 | 0 | 0 | 0 | 0 | 0 |
| Liquor (2208.70) | 2 | 3 | 6 | 1 | 6 | 1 |
| Other (2208.90) | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 2,576 | 2,415 | 2,627 | 2,943 | 3,273 | 3,131 |

In terms of exports, beer is clearly the largest product, followed by *rakı* and wine. Turkish alcohol exports have increased some during this period, but decreased from 2013 to 2014. The combined value of beer and wine exports from Turkey is generally between \$70 and \$80 million. The top 5 markets for Turkish beer exports by volume are Iraq ($\approx 35\%$), Turkish Republic of Northern Cyprus ($\approx 11\%$), Lebanon ($\approx 7\%$), Azerbaijan ($\approx 6\%$), and the United Arab Emirates ($\approx 6\%$).

US Alcoholic Beverage Exports to Turkey

Table 1-8 below shows the US exports of beer, wine and distilled spirits to Turkey (source: Global Agricultural Trade System).

Table 1-8 – US Exports of Alcoholic Beverages to Turkey

| Amount per Year (Thousands of 2014 USD) | | | | | | |
|---|-------|-------|--------|--------|--------|--------|
| Product | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Wine & Beer | 142 | 265 | 436 | 4,178 | 706 | 2,296 |
| Distilled Spirits | 1,203 | 4,234 | 14,513 | 14,643 | 17,957 | 16,821 |

The year 2013 saw a sharp decline of around 83 percent in Wine & Beer exports to Turkey, whereas in 2014, Wine & Beer exports increased by about 225 percent. January 2015 – June 2015 data is available, but is not included in the above chart. However, Wine & Beer exports from Jan- June 2015 are down 18 percent on Jan- June 2014 data. Most of this decline is due to decreased exports of beer, a decrease of around 63 percent on Jan-June 2014 data.

Wine exports have grown in the year 2015. US wine exports from January 2015 – June 2015 have already exceeded the total wine exports for the year 2014 (January – December), mostly due to increased exports of sparkling wine in the first half of 2015.

The category “distilled spirits” primarily consists of whiskey and bourbon exports. Whiskey and bourbon together account for more than 90 percent of distilled spirit exports, often between 97 and 99 percent. Distilled spirit exports have grown each year since 2009, until falling around 6 percent in 2014. Distilled spirit exports for Jan-June 2015 are up 13 percent on Jan-June 2014 data.

Translation of Alcohol-Related Articles of Law No. 6487

Please note this is an unofficial translation:

Law No: 6487

Date of promulgation in the Official Gazette: May 24, 2013

ARTICLE 2 – Defunct Article 6 of the Spirits and Alcoholic Beverages Monopoly Act No. 4250 has been redrafted as follows:

“ARTICLE 6 – Alcoholic beverages cannot be advertised in any way or promoted to consumers.

Campaigns, promotional organizations or events (except for national and international sectoral trade fairs and sectoral organizations as well as scientific publications and activities) which encourage or promote the use and sales of such products will not be allowed. Those who produce, import, and market alcoholic beverages cannot support any event (except for the national and international sectoral trade fairs and sectoral organizations), regardless of the nature of the event, by using the trademarks, brands, emblems or tokens of their products. Trademarks, emblems and logos can be used on service materials used at restaurants, bars and night clubs which have an alcoholic beverage license.

Alcoholic beverage producers, importers, and marketers cannot distribute any promotional materials, free gifts, sale samples or free alcoholic beverages for whatever reason.

Liquor shops and all commercial and public places cannot sell or serve alcoholic beverages for consuming or taking away to people who are not over 18.

People who are not over 18 cannot be allowed to work in the production, marketing or sales of alcoholic beverages. Educational activities conducted within the legal regulations are exempt.

Alcoholic beverages cannot be sold in vending machines. They cannot be used (as a reward) in any gaming machines or in any bets or games by any other methods. Alcoholic beverages cannot be sold to the final users via telephone, internet or television marketing systems and cannot be sent by mail order. Retail sale of alcoholic beverages is not allowed between 22:00 and 06:00.

Alcoholic beverages can be openly consumed in places which have alcohol license but such facilities cannot sell alcoholic beverages to be consumed outside their premises.

Alcoholic beverages cannot be put on retail sale by exhibiting them in the windows of the shops which will make them visible from the outside.

With the exemption of those that are exported, all alcoholic beverages produced in Turkey or imported to Turkey will have Turkish warning notes or messages on their packages that explain the damages of consuming alcoholic products. The warning messages can be in the form of pictures, designs, or graphics. Alcoholic beverages that do not carry the warning messages cannot be exposed for sale or sold.

Brand names, trademarks, any introductory and distinctive names, logos, emblems or tokens that relate to alcoholic beverages, with the exception of those produced for export, cannot be used for non-alcoholic beverages and other products; whereas brand names, trademarks, any introductory and distinctive names, logos, emblems or tokens that relate to non-alcoholic beverages cannot be used for alcoholic beverages.

With the exception of export items, with reference to non-alcoholic beverages which are produced by processing products that are in the alcoholic beverage category, if there is still alcohol left in them, the amount of alcohol they contain; and if the alcohol is completely removed, this fact, must be written on the product's package in a way that will allow the consumers to clearly see them.

Alcoholic beverages cannot be sold or consumed in facilities and premises, with the exception of residential areas and accommodations, which are on the motorways or state highways. Alcoholic beverages cannot be sold or consumed in student dormitories, places that provide health-care services, stadiums and indoor sport halls which hold sports competitions, all kinds of learning and education institutes, cafés, coffee-houses, patisseries, bezique and bridge playhouses and at the restaurants and markets of petrol stations.”

ARTICLE 3 – Defunct Article 7 of the Law No. 4250 was amended as follows:

“Penalties

ARTICLE 7 –

- a. Those who act against each of the bans defined in first and second paragraphs of Article 6 and the owners of the relating businesses will be fined from 500 TL to 2000 TL;
- b. Those who act against the bans defined in paragraphs three, four, six and eleven of Article 6, will be fined from 10,000 TL to 500,000 TL;
- c. Those who act against the bans defined in paragraph seven of Article 6, will be fined from 5,000 TL to 50,000 TL;
- d. Producers and importers who breach the liabilities and bans defined in paragraphs eight, nine and ten of Article 6, will be fined as per the market value of products put into sales in violation of these bans provided that this fine will not be less than 100,000 TL.

Those who act against paragraph 5 of Article 6 will be fined as per sub-paragraph (k) of paragraph 5 in Article 8 of the Law 4733 on Organizational Structure and Duties of TAPDK dated 3/1/2002. Those who act against the ban defined in paragraph three of Article 6 will also be fined/punished as per Article 194 of the Turkish Penal Code 5237 which is themed “Supply of Substances Dangerous for Health”.

TAPDK is authorized to decide the fines defined in paragraphs (a) and (d) herein while it is the authority of the local authority to decide on the fines defined in other paragraphs herein. The local authority will also decide on expropriating the products subjected to a fine as per the provisions of paragraph (d).

The fines given under this Article shall be paid within one month following their notification.

ARTICLE 4 – Defunct Article 9 of the Law No. 4250 was amended as follows:

“ARTICLE 9 - Those who want to obtain an alcohol and tobacco license from TAPDK are obliged to first obtain a trading license from the municipality or the special provincial administration or tourism certificate from the Ministry of Culture and Tourism. Those who want to sell tobacco, ethyl alcohol, methyl alcohol and alcoholic beverages are obliged to obtain a sales license from TAPDK. The municipality or the special provincial administration will seek the advice of the authorized law enforcement agency before issuing the license. The law enforcement agency will comment in seven days.

Businesses that make the retail sale, wholesale or open sale of the products that fall under the scope of this law hereby are obliged to be at least 100 meters away (from door to door) from any organized education institutes and school support courses, student dormitories and places of worship. The municipality or the special provincial administration will exercise the rule of 100 m distance effective on the date of the license. 100 meters distance rule will not be applicable to businesses that hold a tourism license.”

ARTICLE 5 – A provisional article was included to the Law No. 4250

“PROVISIONAL ARTICLE 1 – The signboards of businesses that make retail or open sale of alcoholic beverages will be changed to comply with paragraph one of Article 6 within one year following the

effective date of this law.

TAPDK will put in effect secondary regulations on paragraphs eight, nine, and ten of Article 6 within two months following the effective date of this Article hereby.

Within ten months after TAPDK's secondary regulations have been published in the Official Gazette, it will ensure that the products that fall under paragraphs eight, nine and ten of Article 6 are in compliance with the provisions thereof.

Paragraph two of Article 9 shall not apply to businesses that obtained a sales license before the issuance of this Law."

ARTICLE 6 – Article 19 and 28 of the Law No. 4250 were abolished; the text "or alcoholic beverages" in both paragraphs (m) and (n) of Article 8 of the Law No. 4733 dated 3/1/2002 on the Organization Structure and Duties of TAPDK were removed.

Enforcement

ARTICLE 34 –

- a. The provisions defined in paragraphs five and seven of the revised article 6 of the Law No. 4250, amended by article 2 herein, shall be in effect in 90 days after this article has been published;
- b. Articles 15, 16 and 17 will be in effect as of 19/05/2013;
- c. Article 33 will be in effect on the date of its publication to be implemented on the transferred properties by the mother companies after the issuance of this law hereby;
- d. Shall enter into force on the date of its publication, provided that it shall be applicable to the immovable property transferred by the source institutions as from the date of publication of this Law,
- e. The other provisions shall enter into force on the day of their publication.

ARTICLE 35- The provisions hereof shall be enforced by the Cabinet.